

NSEA Latest Offer 2012 - 2014

September 21, 2012

The teachers of North Shore School District 112 are committed to providing a world-class education to all of its students.

District 112 schools and its students have consistently performed at the top of North Shore schools. That is due not only to the committed families, but also to the dedicated teachers. Most teachers in North Shore School District 112 stay for the long haul. Many of them live in Highland Park and Highwood, and many of them become involved in the community and with the families in Highland Park and Highwood. If the NSEA (North Shore Education Association) were to take the BOE's last offer, that would change.

Historically, District 112 has had worse benefits than the surrounding districts in terms of continuing education (other districts, like Deerfield, pay for coursework and lane movement), health insurance (other districts pay a large percentage of family insurance), and retirement (District 112's was the worst in the area until the last contract and would be again with the board's proposal). The argument was always that 112 teachers were paid higher than teachers in those other districts. That argument no longer holds true. District 112's salary schedule is no better than that of other elementary districts on the North Shore.

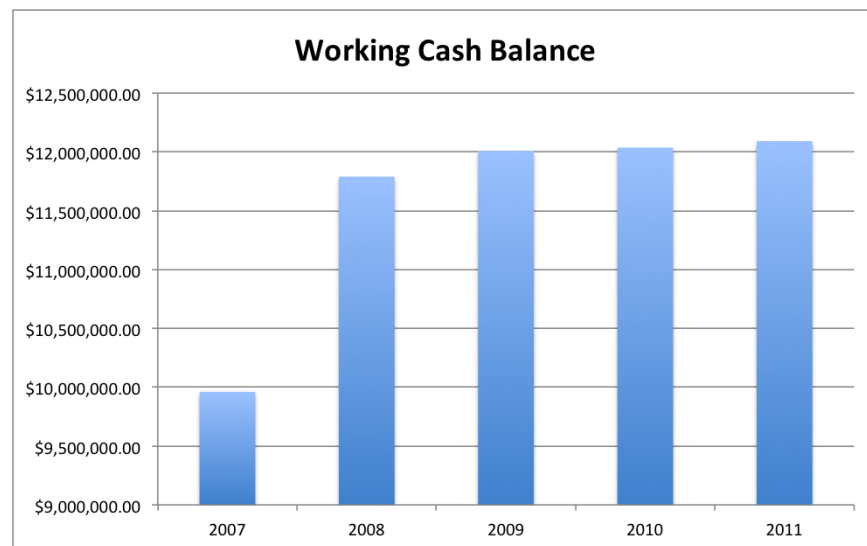
The board's current proposal will result in District 112 being one of the worst school districts on the North Shore in terms of teacher benefits. That will cause teachers to use their time in District 112 as a stepping stone to other better paying districts where teachers are respected and receive better benefits. There will be no incentive for teachers to stay in the district.

The NSEA approached these negotiations determined to present the most reasonable offer ever from the NSEA. The NSEA started negotiations with a historically low starting offer (40% lower than the NSEA's typical opening offers). In addition, the NSEA started with an unprecedented ½ million dollars (approximately) in **annual** health insurance savings for the district. The NSEA has agreed to a pay freeze for all extra duties. The teachers also agreed to the addition of two working days during the Teacher Orientation for new teachers.

Notwithstanding anything the Board might present to the contrary, the Negotiations Team for the NSEA does indeed understand district finances and what a fund balance is. The Board states that they must have in reserves 25% of the operating costs to get the state's highest rating (which the district has received for many years). That is not completely true. There are many factors that go into the state's rating system, and percentage of reserves is one of five different factors. The Board admits that, at its **lowest point**, it had 36% in reserves, nearly \$6 million more than what the board claims is the state's highest credit rating minimum.

It is another fact that according to the District's own financial documents, they added almost 2 million dollars to their total fund balance over the past fiscal year. It must be noted that they did so while paying what they characterize as an average 6% in teacher raises (actually a negotiated raise of 4.01%), higher insurance costs (the NSEA has offered 1.5 million dollars in insurance concessions over the next 3 years), and unlimited lane changes (the NSEA has offered to limit future lane changes but not abolish them) and retirement benefits to those teachers who will be retiring.

In fact, the board's working cash fund increased from a balance of \$9,961,125 in 2007 to \$12,091,974 in 2011. If they were able to INCREASE their fund balance while paying those costs, why are they insisting that the union's proposals of a modest salary increase, limits to lane movement, no change to retirement benefits and huge insurance savings (which will cost teachers much more out-of-pocket) are unaffordable?



Source: School District Financial Profile
ISBE Website: <http://ftpfinance.isbe.state.il.us/AFRProfile/2011/34049112002.pdf>

The **fact**, again, is that the average salary raise in the last contract was 4.01%. The **fact** is that many teachers took coursework for graduate credit that had been **pre-approved** by the district for lane change. Now this is being used as a reason to justify the Board's determination to not give teachers a reasonable raise. The board simply throws the lane change raises into its "average salary raise" figures as part of its misleading attempt to make the teachers seem unreasonable. Out of over 400 teachers, the majority of them did not receive lane changes. Most teachers simply got the negotiated raise.

The **fact** is that the NSEA offered to limit lane movement by teachers after this year to keep expenditures down. Another fact is that many teachers in the district spent huge amounts of money getting master's degrees based on the District's prior approval for the coursework and the lane movement last year. Now, these teachers are faced with the prospect, if the board has its way, of trying to pay off the cost of the approved coursework without the promised raise. It is also a **fact** that in surrounding districts, not only are lane movements offered, but the districts

also pay for part of the coursework. In District 112, the only financial benefit to teachers for taking the graduate coursework is lane movement (or a small reimbursement if they choose not to move lanes).

It is the teachers who work with the students day after day. No student ever thought back about fourth grade and said, "Boy, was my 4th grade Superintendent great." Education is not about the administrators, not about the Promethean Boards, and not about the windows. It is about students being inspired and motivated to learn with excellent teachers by their side.

The NSEA is proposing the following changes for a three year contract:

Health Insurance

The NSEA has proposed selecting an insurance plan from a list created by a joint insurance committee of teachers and administrators. This plan, listed as RPP73426, focuses on changes to the PPO plan that will **save the District \$469,047 per year** compared to previous coverage. In return, employees will take on the burden of higher co-pays, deductibles and prescription rates.

Proposed Insurance Changes	
PPO Plan #RPP73426	
Copay	Increase of 100%
Individual Deductible	Increase of 150%
Family Deductible	Increase of 275%
Individual Out of Pocket	Increase of 300%
Family Out of Pocket	Increase of 500%

Salary

The NSEA recognizes that the Board has limitations on revenue increases each year. District 112 receives over 80% of its revenue through property taxes. Each year the district is limited to increasing these funds by the percentage of the CPI (consumer price index), and additional revenue from new construction.

The NSEA is proposing a salary increase (inclusive of step) equaling approximately CPI + new construction from the previous year with a minimum raise of 3.5% and a maximum of 5%. This would amount (approximately) to the following raises over the next three years:

Year 1 - 3.5% inclusive of step - Total cost: \$1,061,964

Year 2 - 3.2%* inclusive of step - Total cost: \$1,099,133

* 3.2% figure based on District 112 predictions of CPI and new construction for 2012

Based on financial data from the District 112 CFO, Mohsin Dada, the average percentage increase of real estate tax revenue (using the combined increase of CPI and new construction) has been 4.04% since 1994. Breaking these numbers down by individual years, the minimum salary increase of 3.5% is higher than the real estate tax revenue figures during only 5 of the last 19 years. On the other hand, the maximum salary increase of 5% would have been put into effect 7 of those 19 years.

The NSEA also recognizes that professional development is an additional salary cost for the District. In an effort to minimize the effect of these additional costs, the NSEA proposes that teachers be limited to one lane movement per school year, with the exception of lane movement for an initial master's degree. Teachers who have **already** received lane movement approval from the District will be moved the approved number of lanes for the 2012-2013 school year. The District has stated that the average lane change increase for the previous school year was 11%. With the NSEA's proposal of limiting teachers to single lane changes each year, that number would drop to roughly 3% for those teachers changing lanes.